

Message Text

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SUBJECT: UNION COLLECTIVE BARGAINING STRATEGY

1. SUMMARY: TOP LABOR LEADERS HAVE TENTATIVELY AGREED TO SACRIFICE WAGE DEMANDS IN FAVOR OF ASSURING MAXIMUM EMPLOYMENT IN THE MAJOR BARGAINING WHICH WILL ENSUE IN THE FALL. IF THIS STRATEGY PREVAILS, AGREEMENT WITH MANAGEMENT WILL BE MORE EASILY ACHIEVED THAN HAD BEEN FEARED. THE POLICIES ADOPTED WERE ADVOCATED BY THE CGIL, THUS FURTHER STRENGTHENING THE LEADING ROLE OF THE COMMUNISTS IN ITALIAN LABOR. END SUMMARY.

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2. THE LEADING OFFICIALS OF THE THREE LABOR CONFEDERATIONS HAVE

JUST CONCLUDED A THREE DAY CONFERENCE AT ARICCIA ON STRATEGY TO APPLY TO THE MAJOR CONTRACT NEGOTIATIONS WHICH WILL OCCUR BY YEAR-END. CONTRACTS DIRECTLY INVOLVING SOME FOUR MILLION WORKERS, INCLUDING THE KEY METAL AND BUILDING TRADES, WILL EXPIRE IN THE NEXT SEVERAL MONTHS.

3. THE MODERATE POLICIES ADVOCATED BY THE COMMUNIST-DOMINATED CGIL, AND BACKED BY THE UIL, PREVAILED AMONG THE CONFEREES. THE HARD LINE ADVOCATED BY PIERRE CARNITI, NATIONAL SECRETARY OF THE CHRISTIAN DEMOCRATIC-ORIENTED CISL, WAS GENERALLY REJECTED. THE CGIL ADVOCATED QUOTE REASONABLE UNQUOTE WAGE DEMANDS (PERHAPS IN THE RANGE OF 12-18 PERCENT) COMPARED WITH CARNITI'S DEMAND FOR 25 PERCENT RAISES. THE MAJORITY WISHED TO EMPHASIZE THE NEED TO MAXIMIZE EMPLOYMENT RATHER THAN PAY RATES. CGIL AND UIL SPOKESMAN POINTED OUT THAT IF EXCESSIVE FINANCIAL PRESSURE WERE APPLIED TO EMPLOYERS, LESS RATHER THAN MORE JOBS WOULD RESULT. DEPUTY PRIME MINISTER LA MALFA (REPUBLICAN) IMMEDIATELY HAILED THE COMMUNIST-SPONSORED PROPOSALS AS EMINENTLY SENSIBLE.

4. ON MATTERS OTHER THAN WAGES, THE CONFEREES CAME OUT AGAINST A CISL PROPOSAL FOR A SINGLE CONTRACT FOR ALL OF INDUSTRY. THE PRIMARY OBJECTION TO THIS, SAID CGIL CHIEF LAMA, WAS THAT THE NUMBER OF FACTORY-LEVEL DISPUTES WOULD RISE SHARPLY. (WHAT HE DID NOT SAY WAS THAT THIS WOULD LEAD TO GREATER STRENGTH FOR THE UNION LOCALS AND CORRESPONDINGLY LESS CONTROL AT THE NATIONAL LEVEL). THE CONFEREES TURNED DOWN LAMA'S PROPOSAL THAT AN EFFORT BE MADE TO DECONCENTRATE THE EXPIRATION DATES OF MAJOR CONTRACTS, GAVE FAVORABLE CONSIDERATION TO REDUCING THE WORK-WEEK TO 36 HOURS BY WORKING SIX HOURS DAILY FOR SIX DAYS, AND AGREED TO PRESS FOR FOUR WEEKS LEAVE FOR ALL WORKERS PLUS THE TRANSFER OF INDIVIDUAL HOLIDAYS THROUGHOUT THE YEAR TO THE CHRISTMAS PERIOD, CREATING A SECOND VACATION SEASON.

5. COMMENT: IF THE AGREED STRATEGY PREVAILS -- THE CONFEREES WILL READDRESS THE MATTER IN SEPTEMBER FOR FINAL AGREEMENT -- THERE ARE APT TO BE RELATIVELY CALM NEGOTIATIONS, AND EASY AGREEMENT, IN THE FALL. BOTH LABOR AND MANAGEMENT WOULD THEN TURN TO GOVERNMENT TO UNDERTAKE INVESTMENT POLICIES DESIGNED TO MAXIMIZE JOBS. THERE IS, HOWEVER, A CLOUD ON THE HORIZON LIMITED OFFICIAL USE

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RATHER LARGER THAN A MAN'S HAND. THE CONSTITUENT UNIONS, PARTICULARLY THE MILITANT METAL WORKERS (CARNITI, EX-SECRETARY GENERAL OF THE CISL METAL WORKERS, WAS THEIR SPOKESMAN AT ARICCIA), SEEMS STRONGLY DISINCLINED TO SACRIFICE WAGE DEMANDS FOR THE EXPANSION OF JOB OPPORTUNITIES. THE NEGOTIATIONS THIS FALL WILL SHOW WHETHER THE CONFEDERATIONS CAN IMPOSE THEIR PRIORITIES ON THE CONSTITUENT UNIONS.

6. IN ANY EVENT, THE ARICCIA CONFERENCE IS YET ANOTHER EXAMPLE OF THE EXCEPTIONAL MODERATION WHICH THE COMMUNISTS HAVE SHOWN, PARTICULARLY SINCE THEIR MAJOR ELECTORAL GAINS ON JUNE 15. THE IDEA THEY WISH TO CONVEY, AND IT IS ONE WHICH INCREASING NUMBERS OF ITALIANS SEEM TO BE ACCEPTING, IS THAT IT IS THE COMMUNISTS WHO HAVE AN OVERALL GRASP OF THE COUNTRY'S FINANCIAL DILEMMA AND WHO HAVE NOT ONLY THE SENSIBLE SOLUTIONS BUT ALSO THE LEVERS OF CONTROL TO ENSURE THAT THESE SOLUTIONS CAN BE SUCCESSFULLY IMPLEMENTED.VOLPE

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